



*United States Attorney  
Southern District of New York*

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CONTACT: U.S. ATTORNEY'S OFFICE  
MARVIN SMILON, HERBERT HADAD,  
MICHAEL KULSTAD  
PUBLIC INFORMATION OFFICE  
(212) 637-2600  
(718) 422-1870

**NYC SCHOOLS SUBCONTRACTOR SENTENCED  
TO PRISON FOR FEDERAL TAX EVASION**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, announced that TIMOTHY LYNSKEY was sentenced today in Manhattan federal court by United States District Judge HAROLD BAER, JR., to 27 months in prison for his role in a scheme to pay cash wages to employees of various corporations that held contracts to install windows in New York City public schools and to evade federal taxes on those wages.

According to the Indictment, LYNSKEY managed construction sites at JRC Enterprises Limited ("JRC") and JTJ Construction ("JTJ"), which held contracts to install windows in public schools and school buildings throughout New York City. JRC and JTJ received approval from the New York City School Construction Authority ("SCA"), the public agency responsible for the repair and construction of New York City public school buildings and property, to subcontract window installation work

in New York City public schools.

As charged in the Indictment, from May 1998 through June 2000, JRC and JTJ subcontracted work on windows installation projects at public schools throughout the five boroughs. During that time, they consistently defrauded the United States government and the Internal Revenue Service ("IRS") by, among other things: (a) failing to deposit checks received by JRC and JTJ into corporate bank accounts; (b) cashing corporate checks at a check cashing establishment; (c) using the undeposited, unreported cash receipts for payment of workers' salaries off-the books; and (d) failing to provide wage earning statements ("Forms W-2") to workers and to file the W-2s with the IRS.

The Indictment charged LYNSKEY as well as Vincent Cella and Robert Carnival Jr., both of whom owned and operated JRC and JTJ, and Carnival Jr.'s son, Robert Carnival III, a high-ranking employee at both companies, with conspiring to impair the IRS's ability to compute and collect Federal Insurance Contributions Act ("FICA") taxes due on workers' wages, and to evade payment of those taxes.

In addition to his sentence of 27 months' imprisonment, LYNSKEY was ordered to pay restitution in the amount of \$199,630, the amount of the tax loss to the IRS resulting from the scheme. On June 26, 2003, Carnival Jr. was sentenced to 34 months' imprisonment for his role in the scheme and for charges of

evading his personal income taxes. On May 8, 2003, Carnival III was sentenced to 5 months' imprisonment to be followed by 5 months' house arrest for his role in the offense and charges of personal tax evasion. Cella is scheduled to be sentenced on August 7, 2003.

According to court records, LYNSKEY is 34 and lives in Staten Island, New York.

Mr. COMEY praised the outstanding investigative efforts of the Internal Revenue Service Criminal Investigation; the State of New York Office of the Attorney General Organized Crime Task Force; and the School Construction Authority Inspector General's Office.

Assistant United States Attorneys ROBIN A. LINSENMAYER and GLEN MCGORTY are in charge of the prosecution.

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